MoU with the Harvard Institute of International Development (HIID) on 21 July 1997.

MoU inter alia envisages that the HIID will make the following available to the FIPC:

(i) data and analysis relating to the development reforms process and growth profiles in developing countries in general and countries in Asia in particular;

(ii) research findings and conclusions drawn from such studies;

(iii) policy determinants and other factors responsible for the dynamism and rapid economic development of Asian countries;

(iv) studies highlighting the reasons for India's unrealised potential as a major investment location and recommendations of economic policy reforms required in order for India to achieve substantially higher levels of actual FDI inflows; and

(v) suggesting measures to meet the objectives to promote export led growth and to achieve a target of US $10 billion per year of FDI which would be channelised into sectors with significant growth potential (food processing etc.) and other high priority sectors where India has a comparative global advantage (software etc.).

(d) It is learnt that the US Government has not blacklisted the HIID. US Agency for International Development (USAID) cancelled two of the three contracts signed with the HIID for a marketing reform project in Russia. The exact sum of money involved is not known. The reason for termination was some irregularities in the activities of two employees of the HIID working on the Russian Project. The third contract with the HIID is still continuing.

Inflow of capital from Hongkonk

2074. SHRI SANJAY DALMIA:
DR. Y. LAKSHMI PRASAD:

Will the Minister of INDUSTRY be pleased to state:

(a) whether capital inflow from Hongknog has gone up during the last one year in comparison to 1994 and 1995;

(b) if so, the details thereof;

(c) the number of investment proposals including from NRIs received from Hongkong during 1996-97 alongwith the details of proposals cleared and pending with Government for clearance; and

(d) the details of the proposals cleared before Hongkong totally merged into China, alongwith the details of expected capital inflow in this regard?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) and (b) Approvals for Foreign Direct investment (FDI) inclusive of NRI investment, from Hongkong has risen substantially during the year 1996 as compared to the years 1994 and 1995, as would be evident from the figures given below:

(Rs. in Million)

Year	Amount of FDI approved
1994	1647.8
1995	4071.7
1996	5078.8
1997 (upto May, 1997)	657.8

(c) A total number of 24 proposals of foreign direct investment including NRIs envisaging foreign direct investment of Rs. 4447.30 million have been approved by the Government during the period of April 1996 to May 1997. As on date, one proposal of Foreign Direct Investment from Hongkong, is pending consideration of the Government which would be cleared as per the existing policy and procedures.

(d) The details of the proposals cleared before Hongkonk totally merged into China, alongwith the details of the expected FDI inflow in this regard are given in Statement-I and II, respectively.

Statement-I

Sector wise break up of foreign direct investment and technical collaboration approved for Hongkong during the period i.e. from 01-08-91 *to* 31-05-97.

Sr. No.	NAME OF INDUSTRY	TOTAL			Amount of FDI Approved (Rs. Million)	% to Total Amount Approved
		Total	Tech.	Fin.		
1.	FUELS					
	Oil Refinery	2	0	2	135.00	0.94
	Others (Fuels)	1	0	1	4.00	0.03
	TOTAL :	3	0	3	139.00	0.96
2.	BOILERS AND STEAM GENERATING PLANTS	2	0	2	33.20	0.23
3.	ELECTRICALS EQUIPMENT					
	Electrical Equipment	9	3	6	44.88	0.31
	Computer Software Industry	4	0	4	26.94	0.19
	Electronics	9	4	5	192.62	1.34
	TOTAL :	22	7	15	264.44	1.83
4.	TELECOMMUNICATIONS					
	Telecommunications	5	2	3	908 86	6.31
	Radio Paging	4	0	4	476.20	3.30
	Cellular Mobile/Basic Telephone Service	4	1	3	3160.50	21.93
	TOTAL :	13	3	10	4545.56	31.54
5.	TRANSPORTATION INDUSTRY					
	Automobile Industry	1	1	0	0.00	0.00
	Others (Transport)	1	0	1	63.00	0.44
	TOTAL :	2	1	1	63.00	0.44

1	2	3	4	5	6	7
6.	INDUSTRIAL MACHINERY	2	1	1	1.88	0.01
7.	Miscellaneous Mechanical & Engineering	4	0	4	192.87	1.34
8.	Commercial, office & household equipment	2	1	1	41.08	0.29
9.	Medical and sugical appliances	1	0	1	9.88	0.07
10.	Chemicals (Other than fertilizers)	4	0	4	225.05	1.56
11.	Textiles (Includ Dyed, Printed)	7	0	7	559.75	3.88
12.	Paper and Pulp Including Paper Product	3	1	2	572.12	3.97
13.	FOOD PROCESSING INDUSTRIES :					
	Food products	8	1	7	663.98	4.61
	Marine products	2	0	2	1.98	0.01
	TOTAL :	10	1	9	665.96	4.62
14.	Vegetable Oils and Vanaspati	1	0	1	13.25	0.09
15.	Rubber Goods	2	1	1	2100.00	14.57
16.	Leather, Leather Goods and Pickers	1	0	1	0.32	0.00
17.	Glass	1	0	1	2.00	0.01
18.	CONSULTANCY SERVICES :					
	Management Services	3	0	3	13 58	0.09
	TOTAL :	3	0	3	13.58	0.09

Sl. No.	NAME OF INDUSTRY	TOTAL				
		Total	Tech.	Fin.	Amount of FDI Approved (Rs. Million)	% to Total Amount Approved
19.	SERVICE SECTOR :					
	Financial	11	1	10	1168.21	8.10
	Non-Financial Services	7	1	6	544.64	3.78
	Other Services	3	0	3	59.71	0.41
	TOTAL :	21	2	19	1772.56	12.30

1	2	3	4	5	6	7
20	HOTEL & TOURISM :					
	Hotel & Restaurants . . .	14	6	8	3030.80	21.03
	TOTAL :	14	6	8	3030.80	21.03
21.	TRADING CO. . . .	11	0	11	114.26	0.79
22	MISCELLANEOUS INDUSTRIES					
	Others (Misc. Industries) . .	8	2	6	53.33	0.37
	TOTAL :	8	2	6	53.33	0.37
	TOTAL :	137	26	111	14413.89	

NIC/JJ SD

Statement-II

Details of FDI Inflow from Hongkong

Year	FDI inflow from Hongkong
	(*Rs. In Million*)
1994	687.79
1995	3348.26
1996	1669.31
1997 . . . . . (Upto May, 1997)	909.13

Foreign investment in areas not covered under the automatic approval list

2075. SHRIMATI MALTI SHARMA:
SHRI RAJ NATH SINGH:

Will the Minister of INDUSTRY be pleased to state:

(a) whether Government have issued a number of guidelines for foreign investment in areas not covered under the automatic approval list;

(b) if so, the details thereof;

(c) to what extent the new guidelines have helped in increasing the foreign investment in India; and

(d) the total foreign investment proposals accepted so far?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) and (b) Yes, Sir. The Government have on 17.01.1997 vide press Note No. 3 (1997 Series) issued a set of guide-